

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 16, 2003



(Exact name of registrant as specified in charter)

Ohio	0-850	34-6542451
(State or other jurisdiction of incorporation)	Commission File Number	(I.R.S. Employer Identification No.)
127 Public Square, Cleveland, Ohio		44114-1306
(Address of principal executive offices)		(Zip Code)

Registrant’s telephone number, including area code: (216) 689-6300

**Item 7. Financial Statements and Exhibits**

**(c) Exhibits**

99.1            The Registrant’s October 16, 2003, press release announcing its earnings results for the three- and nine-month periods ended September 30, 2003.

**Item 12. Results of Operations and Financial Condition**

On October 16, 2003, the Registrant conducted a conference call/webcast to discuss its quarterly earnings and currently anticipated earnings trends. The slide presentation reviewed by the Registrant in the conference call/webcast follows as Annex A to this Item 12.

On October 16, 2003, the Registrant issued a press release announcing its earnings results for the three- and nine-month periods ended September 30, 2003. This press release, dated October 16, 2003, is attached as Exhibit 99.1 to this report.

# **Third Quarter 2003 Review**

## **October 16, 2003**

**Speakers: Henry Meyer  
Jeff Weeden**

10/15/2003 5:05 PM



**PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995  
FORWARD-LOOKING STATEMENT DISCLOSURE**

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The conference call and discussion, including related questions and answers, and presentation materials, contain forward-looking statements about issues like anticipated fourth quarter and full-year 2003 earnings, anticipated level of net loan charge-offs and nonperforming assets and anticipated improvement in profitability and competitiveness. Forward-looking statements by their nature are subject to assumptions, risks and uncertainties. Actual results could differ materially from those contained in or implied by such forward-looking statements for a variety of factors including: changes in interest rates; continued weakness in the economy, which could materially impact credit quality trends and the ability to generate loans; failure of the capital markets to function consistent with customary levels; delay in or inability to execute strategic initiatives designed to grow revenues and/or manage expenses; consummation of significant business combinations or divestitures; new legal obligations or restrictions or unfavorable resolution of litigation; further disruption in the economy or the general business climate as a result of terrorist activities or military actions; and changes in accounting, tax or regulatory practices or requirements.



# Strategic Overview

- Challenging revenue environment
- Improved asset quality
- Growth in core deposits
- Continued focus on expenses
- Completed NewBridge acquisition
- Board authorized repurchase of 25 million shares

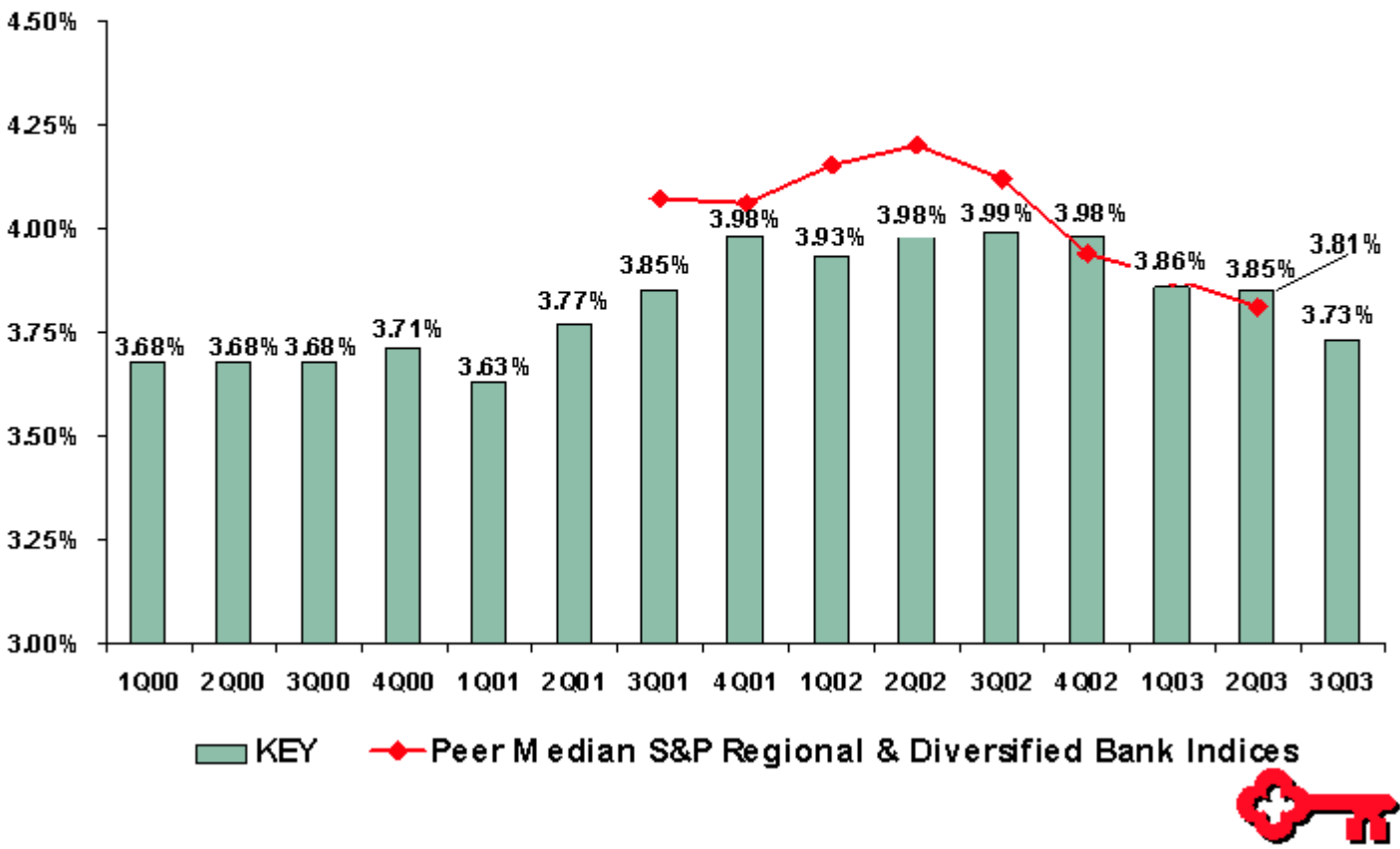


# Financial Summary - 3Q03

- **EPS of \$0.53**
- **Noninterest income up \$29 mill. from 2Q03**
- **Average core deposits up annualized 8%**
- **Net charge-offs and NPLs down**
- **Repurchased 2.5 million shares**



# Net Interest Margin (TE)



# Net Interest Margin (TE)

## 2Q03 vs. 3Q03

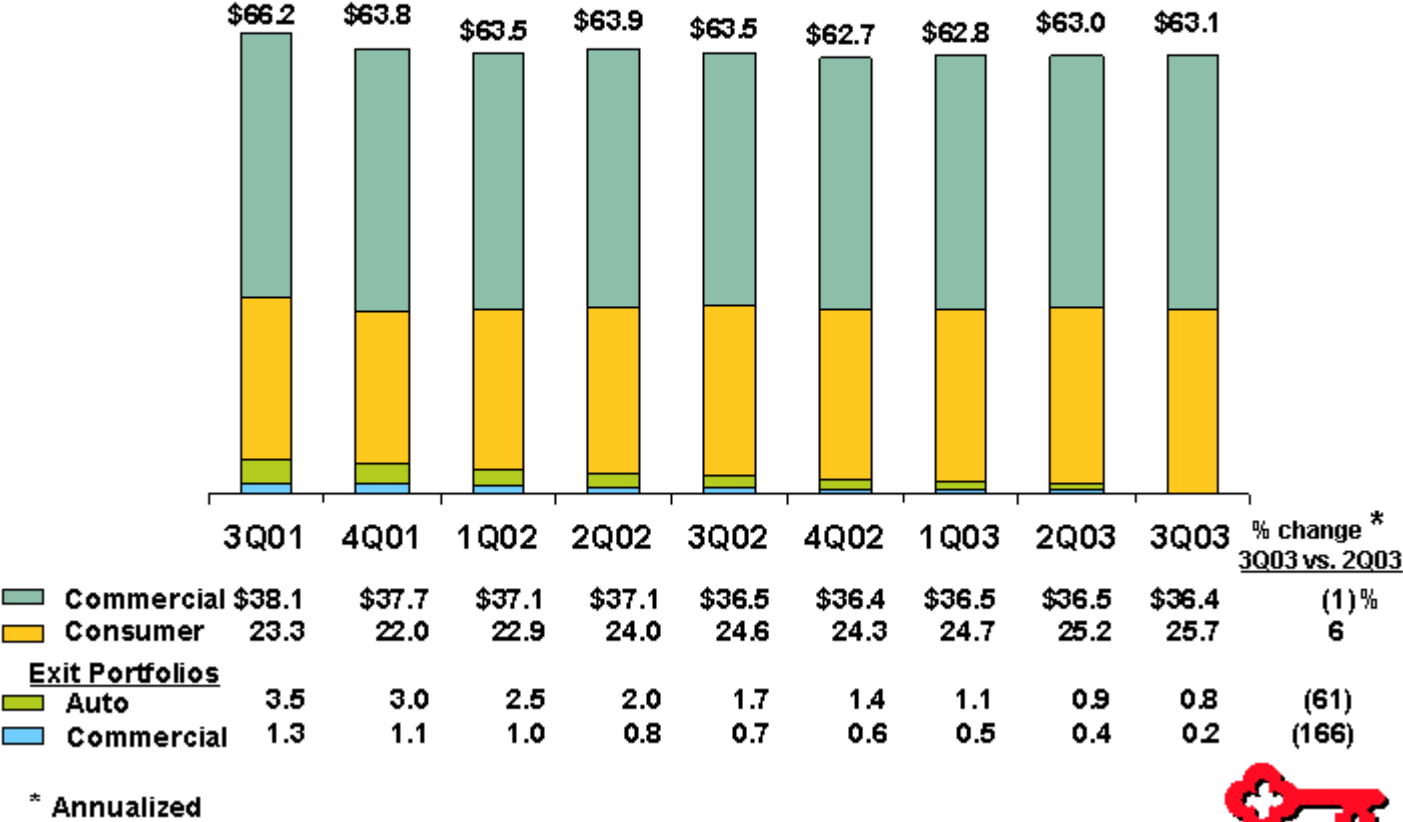
Net Interest Margin 2Q03	3.85%
Prepayments/Loan Sales	(6)
Deposit Mix/Spreads	(4)
FIN 46	<u>(2)</u>
TOTAL	(12) b.p.
Net Interest Margin 3Q03	3.73%





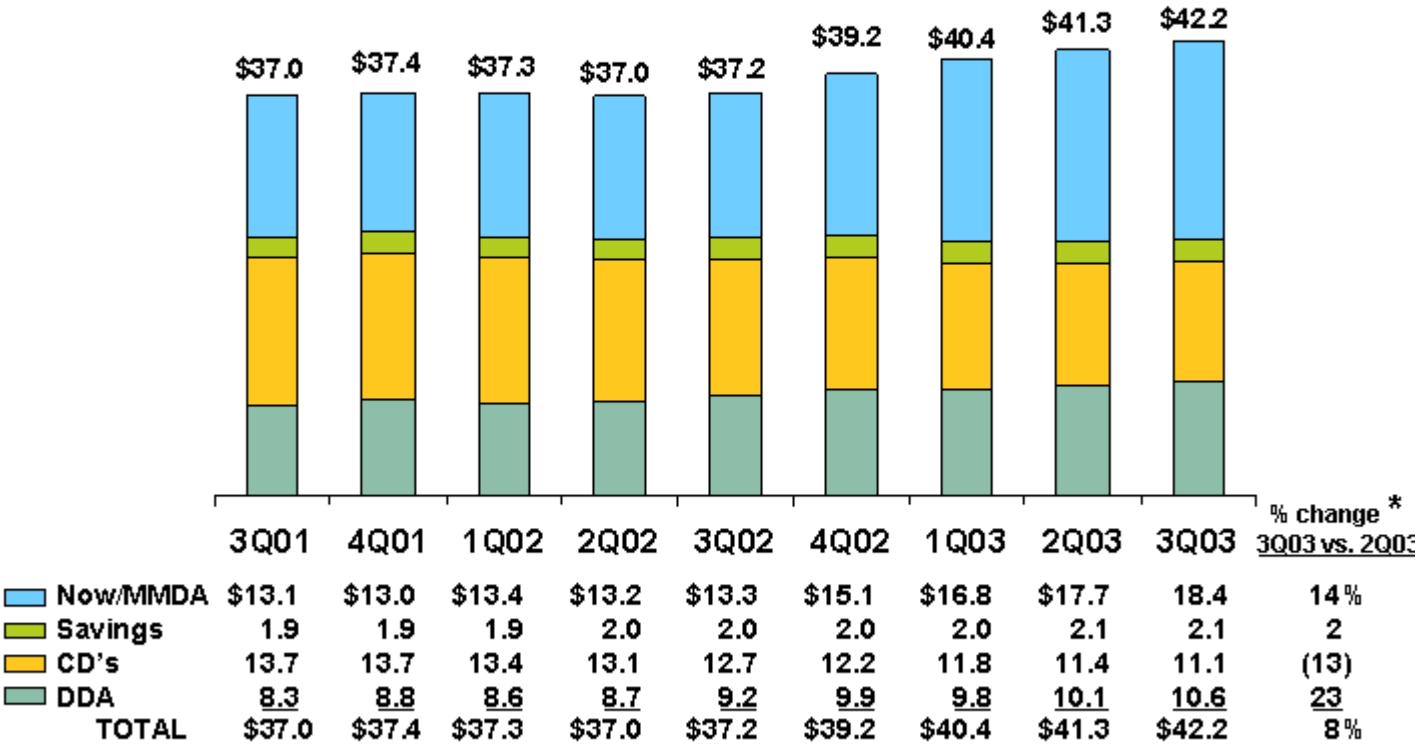
# Average Loans

in billions



# Average Core Deposit Growth

in billions



\* Annualized



# Noninterest Income 3Q03 vs. 2Q03

*in millions*

Noninterest Income 2Q03	\$434
Net gain from securitizations/sales	25
Trust and Investment Services	8
All other – net	<u>(4)</u>
TOTAL	29

Noninterest Income 3Q03	\$463
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# Noninterest Expense 3Q03 vs. 2Q03

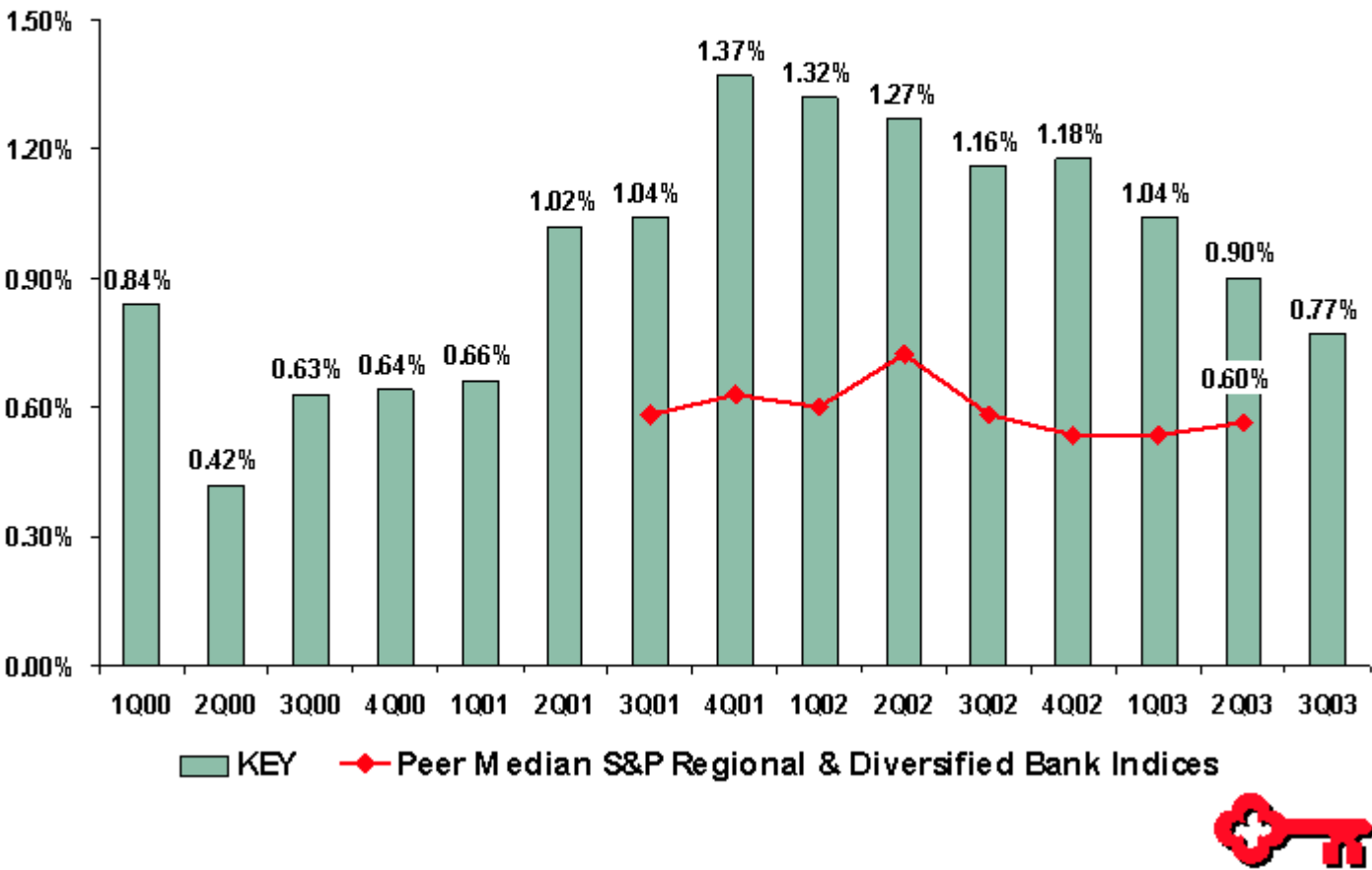
*in millions*

Noninterest Expense 2Q03	\$688
Personnel	9
All other – net	<u>2</u>
TOTAL	11

Noninterest Expense 3Q03	\$699
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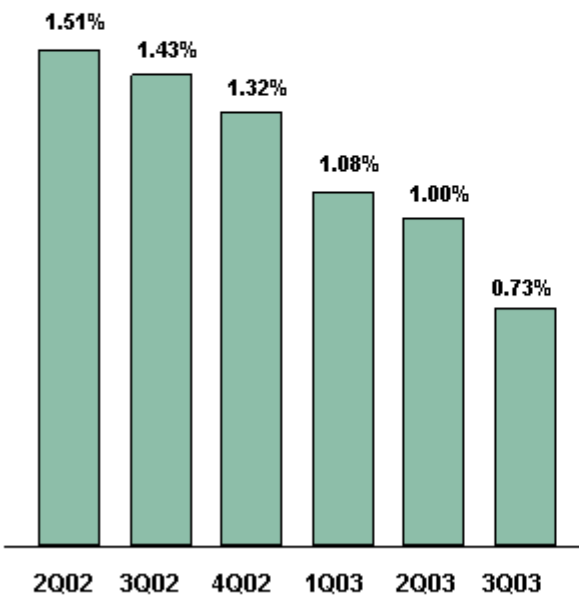
# Net Charge-Offs to Average Loans



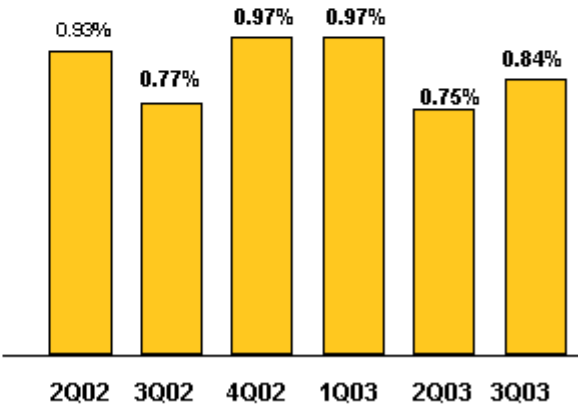
# Net Charge-Offs to Average Loans

by Loan Type

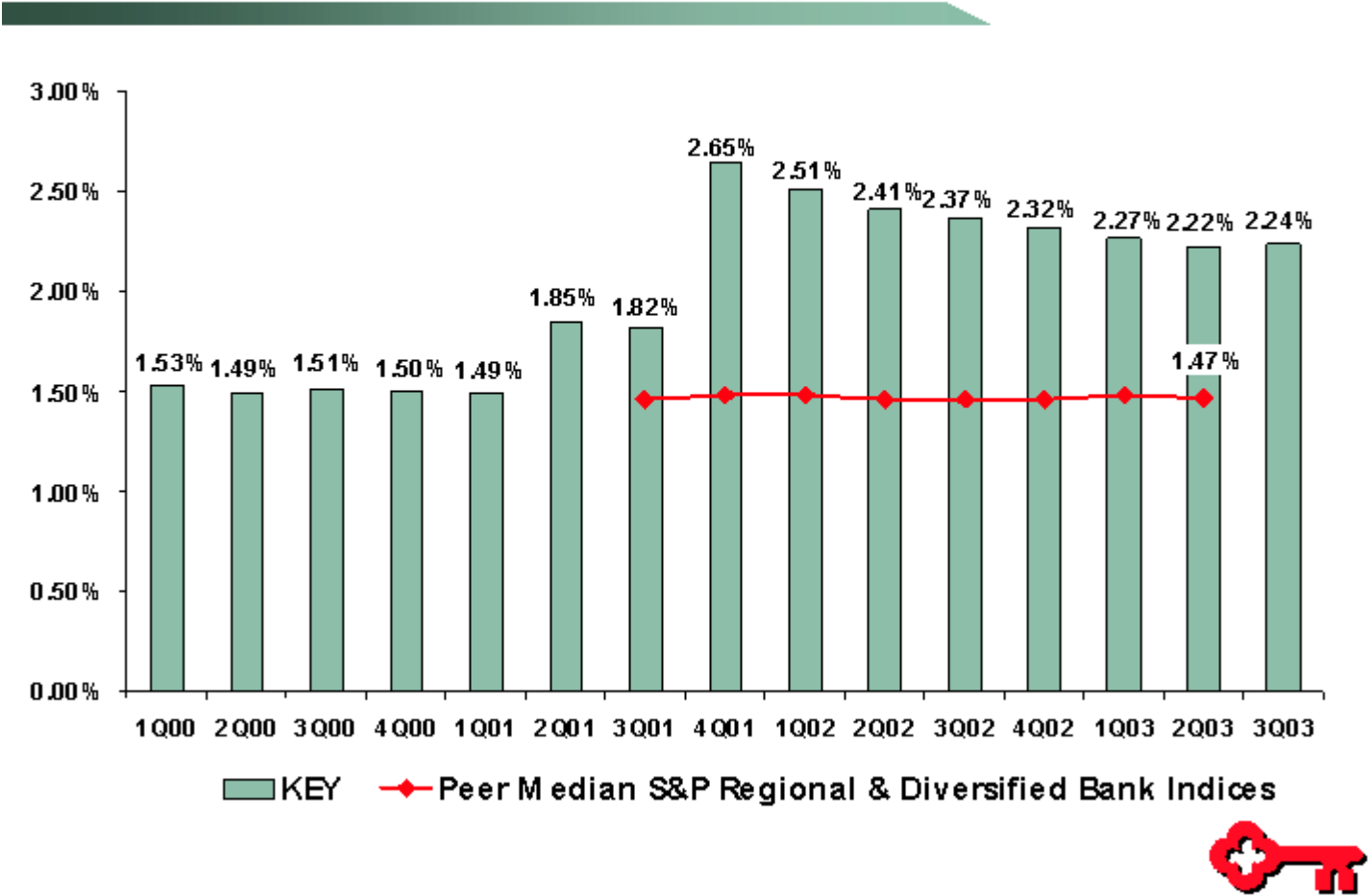
Commercial



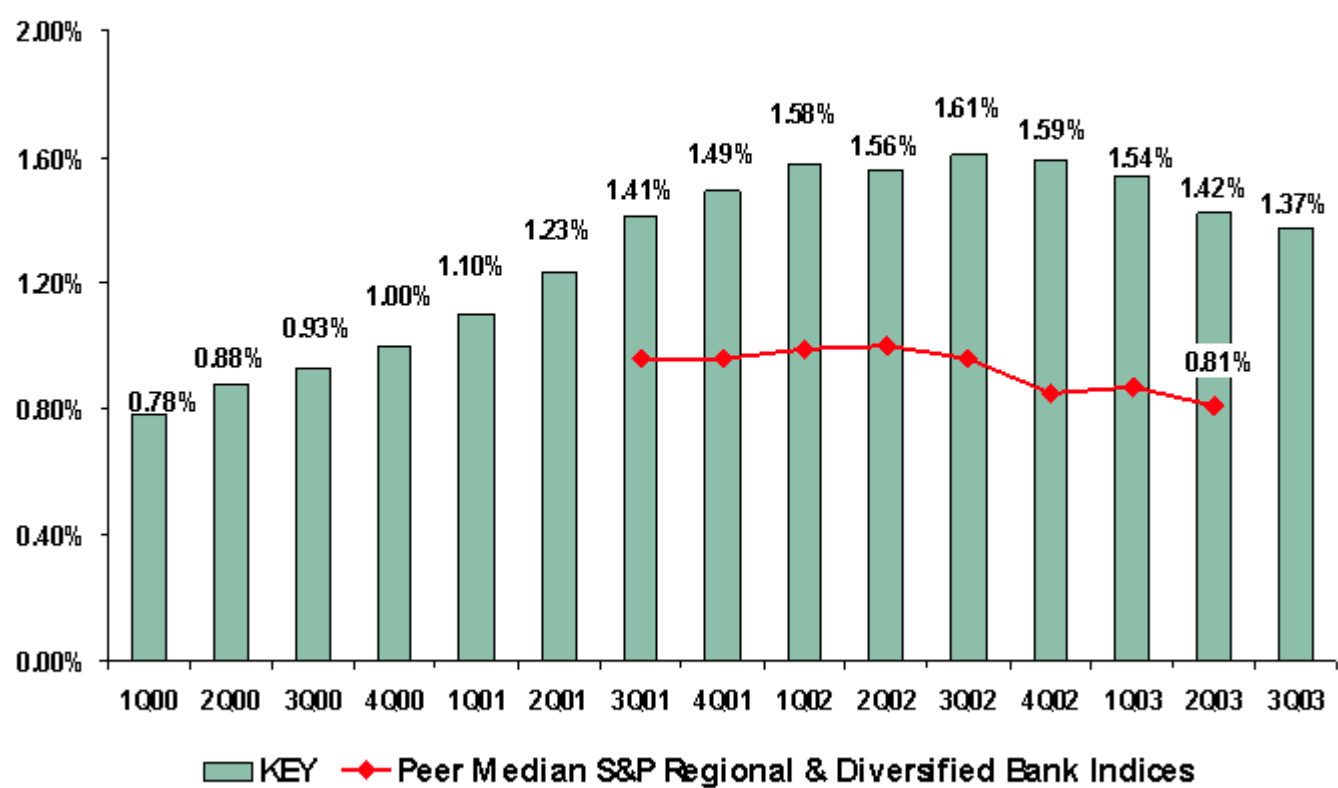
Consumer



# Allowance to Total Loans



# NPAs to Loans and OREO





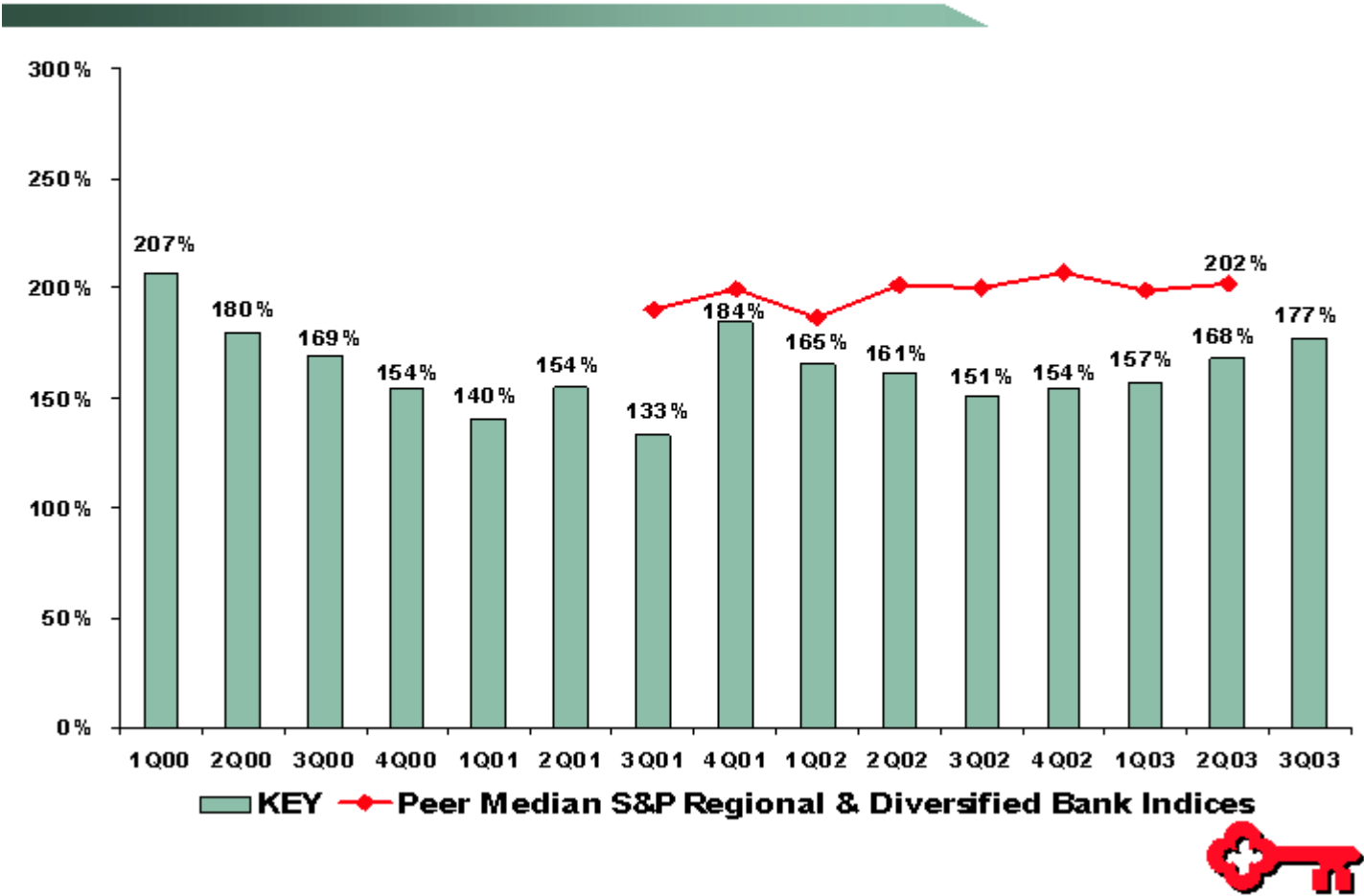
# Nonperforming Loans - Flow Analysis

*in millions*

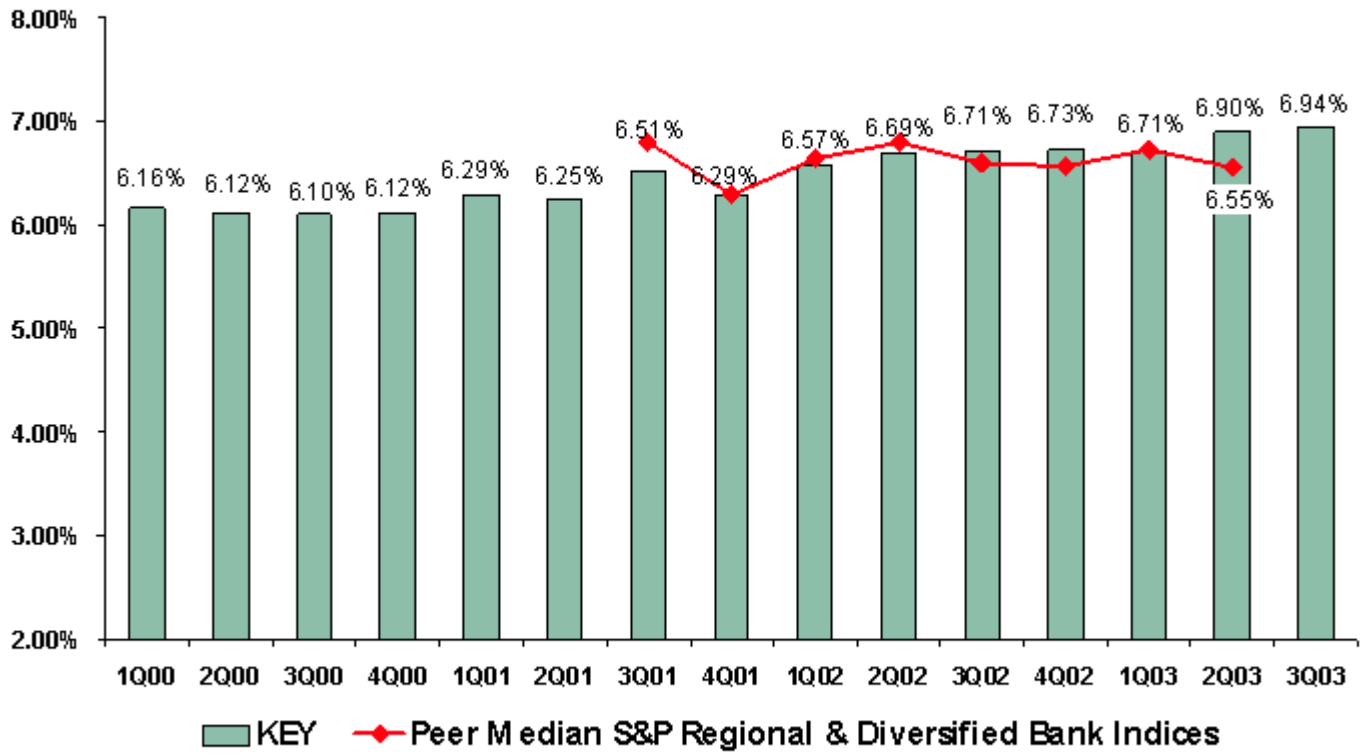
	<u>3Q02</u>	<u>4Q02</u>	<u>1Q03</u>	<u>2Q03</u>	<u>3Q03</u>
NPLs beginning of period	\$957	\$987	\$943	\$904	\$837
Loans placed on nonaccrual status	281	339	237	168	240
Charge-offs	(185)	(186)	(161)	(141)	(123)
Loans sold	(25)	(36)	(23)	(42)	(73)
Payments	(41)	(149)	(58)	(26)	(73)
Transfers to OREO	--	--	(19)	(1)	(6)
Loans returned to accrual status	--	(13)	(15)	(25)	(7)
Acquisition	--	1	--	--	--
<b>NPLs end of period</b>	<b>\$987</b>	<b>\$943</b>	<b>\$904</b>	<b>\$837</b>	<b>\$795</b>



# Allowance to NPL



# Tangible Equity to Tangible Assets<sup>17</sup>



## Fourth Quarter 2003 Outlook

- Relatively stable net interest margin
- Stable to modest loan growth
- Improving climate for fee-based businesses
- Continued focus on expenses
- Asset Quality – stable to improving
- 4Q-03 EPS: \$0.52 to \$0.55



SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KEYCORP

(Registrant)

Date: October 16, 2003

/s/ Lee Irving

By: Lee Irving  
Executive Vice President  
and Chief Accounting Officer